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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, DECEMBER 23, 1998

APPLICATION OF

NEW CENTURY TELECOM, INC.

CASE NO. PUC980155

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On October 5, 1998, New Century Telecom, Inc. ("New Century" or "the Applicant") completed an application for a certificate of public convenience and necessity to provide local exchange telecommunications services throughout the Commonwealth of Virginia.

By order dated November 2, 1998, the Commission directed the Applicant to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to New Century's application.

On December 8, 1998, the Staff filed its report finding that New Century's application was in compliance with the Commission's Rules for Local Exchange Telephone Competition, as adopted in Case No. PUC950018, except that New Century did not provide audited financial statements. Based upon its review of

New Century's application and unaudited financial statements, the Staff determined it would be appropriate to grant a local exchange certificate to New Century subject to two conditions:

(1) any customer deposits collected by the Company shall be retained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines is no longer necessary; and (2) New Century shall provide audited financial statements to the Staff on or before one year from the effective date of its initial tariff.

A hearing was conducted on December 17, 1998. At the hearing, the application, with accompanying exhibits, and the Staff Report were entered into the record without objection.

Also at the hearing, counsel for New Century stated that the Applicant intended only to provide local exchange telecommunications services in the Washington, D.C. metropolitan area, and therefore, had only published notice in the Washington Post newspaper. New Century requested that the Commission permit it to amend its application to reflect its intent to provide services only in the Washington, D.C. metropolitan area. The Commission granted New Century's request at the December 17, 1998, hearing, with the condition that counsel for the Applicant and Staff define the area in which the Applicant intends to provide local exchange telecommunications services. Counsel for Staff and the Applicant subsequently defined the service area as

the Virginia portion of the Washington Primary Metropolitan Statistical Area ("PMSA"), which includes the counties of Arlington, Clarke, Culpeper, Fairfax, Fauquier, King George, Loudoun, Prince William, Spotsylvania, Stafford, and Warren. Also included are the cities of Alexandria, Fairfax, Falls Church, Fredericksburg, Manassas and Manassas Park.

Having considered the application and the Staff Report, the Commission finds that a certificate should be granted. Accordingly, IT IS THEREFORE ORDERED THAT:

- (1) New Century Telecom, Inc. is hereby granted a certificate of public convenience and necessity, No. T-426, to provide local exchange telecommunications services throughout the Virginia portion of the Washington PMSA, as defined in this Order, subject to the restrictions set forth in the Commission's Rules for Local Exchange Competition, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.
- (2) New Century shall file tariffs with the Division of Communications which conform with all applicable Commission rules and regulations.
- (3) New Century shall provide audited financial statements to the Staff no later than one year from the effective date of its initial tariff.
- (4) Any customer deposits collected by the Company shall be retained in an unaffiliated third-party escrow account until

such time as the Staff or the Commission determines is no longer necessary.

(5) There being nothing further to come before the Commission, this case shall be dismissed and the papers placed in the file for ended causes.